



**Testimony of Greg Principato
President, Airports Council International-North America**

before the

**House Transportation and Infrastructure Committee
Subcommittee on Aviation
*“Aviation Delays and Consumer Issues”***

April 9th, 2008

Chairman Costello, Ranking Member Petri, members and staff of the House Transportation and Infrastructure Subcommittee on Aviation, thank you for allowing Airports Council International-North America (ACI-NA) the opportunity to participate in this important hearing on aviation delays and consumer issues. My name is Greg Principato and I serve as President of ACI-NA. Our 366 member airports enplane more than 95 percent of the domestic and virtually all of the international airline passenger and cargo traffic in North America. Nearly 400 aviation related businesses are also members of ACI-NA.

ACI-NA applauds the Subcommittee for its work on H.R. 2881, the “Federal Aviation Administration Reauthorization Act.” H.R. 2881 will serve as the catalyst to reducing airline delays and passenger inconvenience by modernizing the U.S. air traffic and airport system. This crucial legislation provides airports the financial tools necessary to build critical safety, security and capacity projects, including new runways, taxiways and terminals to meet growing airline passenger needs by increasing the ceiling on the Passenger Facility Charge user fee to \$7.00. By doing so, airports can meet the growing passenger demand by planning *now* to invest in modern, secure, comfortable and environmentally compliant facilities for air travelers.

Additionally, within the House FAA Reauthorization bill, the Subcommittee appropriately addressed the need for consumer concerns. While the vast majority of airports already have contingency plans in effect to assist airlines when such assistance is requested, we agree that airport operators should work more closely with air carriers in enhancing these plans, including formalizing a process to offer assistance after being

notified by the airline that an aircraft has been on the tarmac for an agreed-upon period of time. Additionally, we applaud your efforts to establish and publicize a consumer complaints hotline number for the DOT Aviation Consumer Protection Division, as well require DOT to collect and publish monthly data pertaining to cancelled and diverted flights of air carriers.

Newest Delay Stats/Impact on Airports: While demand for air travel continues to grow, airline delays and complaints are rising. According to information filed with the Bureau of Transportation Statistics (BTS), airlines reporting on-time performance with the Department of Transportation (DOT) recorded an on-time arrival rate of 73.4 percent in 2007, down from 75.4 percent mark in 2006. The rate was only 68.6 percent in February 2008. With almost one third of flights arriving at their final destination late, the total airline cost resulting from delays is more than \$7 billion, based on data from the Air Transport Association. Of equal concern, consumers filed 13,168 complaints about airline service in 2007, up an astounding 58.2 percent over the 8,324 complaints filed in 2006. DOT's most recent Air Travel Consumer Report, released on April 3, indicates that complaints about airline service from consumers increased 13.3 percent in February 2008, compared with the same month in 2007. While these rising statistics are alarming, it is important to note that airports are working aggressively to enhance air travel by improving the airport customer experience during lengthy airline delays.

ACI-NA January Irregular Operations Workshop: Airports continue to take proactive measures to strengthen contingency plans and enhance customer service needs during

extended ground delays and irregular operations (IRROPS). In September 2007, more than 40 industry representatives from thirteen airports and six major airlines gathered at Dallas/Forth Worth International Airport (DFW) to facilitate better planning to collectively respond to significant service disruptions affecting passengers. The session at DFW provided a forum for airport and airline staff to identify passenger needs and proactive strategies to minimize passenger discomfort during irregular operations. The single most important conclusion of the September workshop revealed that better communication, collaboration and coordination between all stakeholders; including airlines, airports, TSA, CBP, FAA, concessionaires, media, ground transportation, and hotels; before and during an event will dramatically improve customer service.

Building upon the successful September meeting, in January ACI-NA convened an industry-wide workshop meeting of more than 100 officials from airports, airlines, passenger organizations and the federal government. The workshop's goals and objectives were to promote an information exchange on providing excellent passenger care during extended delays and to work with industry peers to identify new opportunities to better serve passengers during extended ground delays and airline IRROPS events. To better enhance and strengthen airport contingency plans, the workshop identified immediate and near term actions to be undertaken on a local and national level.

Immediate actions to be undertaken on a local level include:

- Coordinate individual airline and airport IRROPS plans to identify overlaps and gaps across all service providers;

- Communicate, collaborate and coordinate to present consistent and accurate messages to both employees and passengers. For example, ensure all parties understand that a designated concession is open for business; review with concessionaires the value of remaining open and maintaining an adequately stocked supply of items unique to IRROPS such as medical and infant diapers/formula;
- Develop and implement a unified Communications Program providing consistent and timely messaging to the public and all employees; and
- Establish a network of stakeholder professionals that will develop, in advance, comprehensive IRROPS guidelines that encompass all stakeholders' needs and ensure they are met.

Near-term actions to be undertaken on a local level include:

- Create an IRROPS Committee comprised of all airport stakeholders (air carriers; airport departments; concessionaires; government agencies, including FAA, TSA and CBP; media; ground transportation service providers; as well as hotels);
- Develop a unified, major talking point, communications plan that considers the needs of all service providers, employees, and the traveling public;
- Partner with the local media for effective broadcasting of messages; and
- Enhance airport and airline web pages as a means of communicating real-time events to employees and the traveling public.

These actions to enhance airport contingency plans, as well as some of the “best practices” in place at airports throughout North America, have been provided to the

Department of Transportation's "National Contingency Plan Task Force" which is working to develop model contingency plans to mitigate lengthy airline on-board ground delays.

Additionally, ACI-NA, in cooperation with the Air Transport Association, is reaching out to the FAA, TSA and CBP to explore opportunities by which federal entities might enhance their operations during irregular operations. Continued dialog with these federal agencies, as well as gaining a commitment to partner at the local airport level will only help to improve customer service issues during irregular operations.

National Contingency Plan Task Force: In addition to enhancing contingency plans, ACI-NA, as well as representatives from several large and small airports, including Atlanta; Allentown/Bethlehem/Easton; Dallas/Fort Worth; Pittsburgh and New York are actively participating on the Department of Transportation's National Contingency Plan Task Force. Established by the Secretary of Transportation, the Task Force is comprised of airlines, airports, the Federal Aviation Administration and others to coordinate and develop model contingency plans to deal with lengthy airline on-board ground delays.

The Task Force provides a forum, from a knowledgeable and independent perspective, to strategize and effectively develop recommendations to mitigate lengthy-on board ground delays nationwide. As participants, airports are working with the Task Force to review incidents involving long, on-board ground delays and their causes; identifying trends and patterns of such events; and recommending workable solutions for mitigating the on-board consumer impact of extraordinary flight disruptions. Currently a working group,

led by Jim Crites of DFW International Airport and Kate Hanni of the Coalition for a Passenger Bill of Rights, has developed a prioritized listing of passenger needs, whether on the aircraft or in the airport terminal, during extended ground delays. Another working group will develop a listing of the causes of lengthy tarmac delays and measures that could be used to mitigate or prevent them.

Additionally, airports are assisting the Task Force by reviewing existing airport and airline contingency plans, as well as “best practices.” In fact, ACI-NA staff is now assembling a list of solutions that have been effectively implemented by airports throughout the United States to address passenger needs. These will be provided to the Task Force at its next meeting on April 29 to use as appropriate in the eventual development of measures to be included in model contingency plans. By the end of this year, if not sooner, the Task Force is expected to provide recommendations to the Secretary of Transportation.

DOT Proposal to Address Congestion and Delays: While airports are being pro-active in finding solutions that enhance customer service and decrease delays, the best solution to decreasing congestion and aviation delays is to add additional capacity. ACI-NA remains committed to the expansion of airport capacity, wherever possible, and the use of new technologies and procedures both to relieve existing problems of congestion and delays and to provide for the future growth of air transportation in the United States. Airport capacity expansion, however, is not always an available alternative. In those limited situations where existing capacity is inadequate to meet demand and significant

airfield capacity expansion is infeasible, market-based congestion management tools should be available to airport operators to address passenger delays and airport congestion.

For these reasons, ACI-NA recently filed comments supporting the Department of Transportation's "Notice of Proposed Amendment to Policy Statement Regarding Airport Rates and Charges" which also clarifies that airports may use a two-part landing fee, with both weight based and operations-based charges. While airports have strongly supported long term solutions such as increasing capacity and modernizing the air traffic control system, passengers need more timely solutions. By restructuring landing fees to reflect the full cost imposed by aircraft operations, airport proprietors can provide economic incentives for airlines to more efficiently use congested airfields and shift service to less congested secondary airports within the region.

There is no 'one size fits all' solution and as the "public face of aviation" airports must be able to respond to the concerns from their passengers and communities about continuing delays and increased traveler complaints about airline service quality. Because of the unique circumstance at each airport's facilities, including the configuration of runways, taxiways, and gates; the existing legal arrangements with tenant air carriers; and a wide variety of logistical details that affect the operational efficiency of each individual airport, proprietors of congested airports need the ability to develop programs that are custom-fit to specific local circumstances.

Additionally, ACI-NA's comments emphasized that the air service needs of small communities must be protected. It is important that DOT permit congested airports to build reasonable exemptions to their rates and charges to preserve small community access at the same time they create incentives for airlines to use congested airport facilities more efficiently. This is an essential components of any program designed to align demand with capacity

Notice of Proposed Rulemaking for Oversales and Denied Boarding Compensation:

In addition to DOT's most recent proposal to address congestion and delays, airports support previous DOT initiatives that will enhance and improve consumer protections. ACI-NA strongly believes that involuntary denied boarding compensation should be increased. In recent comments filed with the Department of Transportation (DOT), ACI-NA applauds the Department's Notice of Proposed Rulemaking (NPRM) proposal to amend the Part 250 compensation available to passengers who are involuntarily denied boarding. The NPRM incorporates ACI-NA's previously filed recommendations to increase compensation for involuntary denied boarding from \$200 to \$400 for passengers who are rerouted within two hours (four hours internationally) and from \$400 to \$800 for passengers who are not rerouted within these time frames.

ACI-NA also supports the Department's proposal that recommends that the seating-capacity exception for small aircraft be reduced from "60 seats or less" to "less than 30 seats." As mentioned in the NPRM, the use of regional carriers has increased tremendously since 1978. In addition, 99 percent of regional airline passengers travel on

code-share flights; the percentage increase in passengers on 31 through 60-seat aircraft has outpaced that on larger aircraft; and being bumped from a small versus a large aircraft has the same effect on the passenger.

Advance Notice of Proposed Rulemaking for Enhancing Airline Passenger

Protections: Additionally, in recent comments filed with the Department of Transportation, ACI-NA supports the Department's proposal to enhance consumer protection from chronically delayed flights. However, ACI-NA wants to ensure that when defining a "covered carrier" the Department includes the operations of regional or feeder carriers that are affiliated with the major/national airlines that account for at least 1 percent of domestic scheduled passenger revenue. The effects of passenger delays are the same regardless of which certificate holder actually operates the aircraft. Moreover, given the fact that regional airlines now transport one out of every four domestic passengers and operate half of daily domestic flights, as well as provide the only scheduled service to approximately 70 percent of U.S. airports, it is critical that DOT include their operations in the final rule.

Additionally, ACI-NA does not support DOT's proposal that would define a flight arriving more than 70 percent as chronically late. Consumers rightfully expect more accurate information and ACI-NA proposes that to maintain consumer confidence that minimum threshold for a chronically delayed flight should be set no higher than 50 percent on time.

Delays and Cancellation Rates at Small Airports:

While consumers are typically paying more when utilizing air service at small airports, due to lengthy delays and high rate of cancellations, many small airports remain at a competitive disadvantage. ACI-NA remains concerned that flight delays and cancellation rates at many small airports continue to have a negative effect on abilities to make connections at large hubs and are more disruptive to passengers flying to and from smaller communities.

In May 2006, the DOT-OIG conducted a report on “Small Community Aviation Delays and Cancellations.” Findings from the study concluded that the overall length of delays, as well as number of cancellations remains highest at small airports, particularly those small airports closest to large hubs. Today, the percentage of delayed and cancelled flights at these particular small airports has not improved. According to 2007 Bureau of Transportation Statistics, small and non-hub airports within 300 miles of a large hub averaged 37% more delay minutes and nearly 39% more cancellations than small and non-hubs overall.

Madison, Wisconsin is a case in point, as 27 percent of total scheduled flights to Chicago O’Hare were delayed in 2007. After the flight was classified as late by the Bureau of Transportation Statistics, the average departure delay on all flights leaving Madison to Chicago was 59.8 minutes. Of equal concern, the average arrival delay into Chicago grew to 75.13 minutes. Delays to and from Chicago are so common that private

companies provide scheduled bus service on the two and half hour drive between O'Hare and the University of Wisconsin at Madison.

Other small airports, like Lincoln, Nebraska, continue to suffer from extraordinary delays and high cancellation rates. From October 2007 through March 2008, 32 percent of Northwest Airlines' total Lincoln schedule was delayed 30 minutes or more. Within these delayed flights, 84 percent were delayed one hour or more, 51 percent two hours or more and nearly 18 percent three hours or more. Of equal concern, the number of scheduled Northwest flights cancelled during this 6 month period totaled nearly 15 percent.

Summary: In closing, ACI-NA and its member airports thank you for the opportunity to share our views on this important matter. Addressing this important issue is critical for the future of the aviation industry. Increasing consumer confidence that the aviation system can work efficiently without extended delays and passenger inconvenience is important for both airports and airlines. We look forward to working with you as we continue to address these vital passenger service issues.

